



Press Release

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For immediate release

The Federal Open Market Committee made no change today in its target for the federal funds rate.

Based on the available evidence, however, the Committee remains concerned with the possibility that over time increases in demand will continue to exceed the growth in potential supply, even after taking account of the remarkable rise in productivity growth. Such trends could foster inflationary imbalances that would undermine the economy's exemplary performance.

Nonetheless, in light of market uncertainties associated with the century date change, the Committee decided to adopt a symmetric directive in order to indicate that the focus of policy in the intermeeting period must be ensuring a smooth transition into the Year 2000. At its next meeting the Committee will assess available information on the likely balance of supply and demand, conditions in financial markets, and the possible need for adjustment in the stance of policy to contain inflationary pressures.

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